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June 5, 2024

THE MAYOR AND COUNCIL
Village of Rycroft
Box 360
Rycroft, Alberta T0H 3A0

Re: Audit of the Financial Statements of the Village of Rycroft for the year ended December 31, 2023

The purpose of this report is to summarize certain aspects of the audit that we believe would be of interest to the Council. This report should be read in conjunction with the financial statements and our report thereon, and it is intended solely for the use of the Council and should not be distributed to external parties without our prior consent. We accept no responsibility to a third party who uses this communication.

Audit Findings

There are a number of matters that arose during the audit that we would like to bring to your attention, although none of them resulted in a qualified opinion. Each of these matters is summarized briefly below. We would be happy to discuss any of these items in more detail with Council.

Fraudulent and Illegal Activities

Our audit procedures were performed for forming an opinion on the financial statements and although they might bring possible fraudulent or illegal activities to our attention, our audit procedures were not designed to detect fraudulent or illegal activities.

In any event, we did not detect any fraudulent or illegal activities, or material misstatements resulting from fraudulent or illegal activities during our audit.

Litigation Proceedings

We have communicated with Village of Rycroft's management to confirm if there were any legal proceedings that may result in recording a provision for any liability that Village of Rycroft may be responsible for. From the communication with management there were no legal actions up to the auditor's report date of April 16, 2024.

Significant Weakness in Internal Controls

We obtained sufficient understanding of the internal controls to enable us to plan the audit. In certain areas, we assessed control risk below maximum and obtained sufficient appropriate audit evidence through tests of control to support that assessment. However, our study and evaluation of internal controls was not sufficient to express an opinion on the effectiveness of the Village of Rycroft's internal control systems.

During the course of our audit, no significant weaknesses in the internal controls came to our attention.

Since an audit is not designed to detect all weaknesses in internal controls, there may be weaknesses which our procedures did not detect.

Likely Aggregate Misstatements

Our audit did result in the preparation of some journal entries, and we are not aware of any unadjusted errors or misstatements that would materially impact the financial statements. All adjustments were reviewed and approved prior to being recorded, and a copy of the adjusting journal entries has been provided to the finance department.

Significant Accounting Policies, Estimates and Judgements

Management is responsible for determining significant accounting policies. The choice of different accounting policy alternatives can have a significant effect on the financial position and results of operations of the Village of Rycroft. The application of those policies often involves significant estimates and judgements by management.

We are of the opinion that the significant accounting policies, estimates and judgements made by management do not materially misstate the financial statements taken as a whole.

VILLAGE OF RYCROFT
June 5, 2024

Audit Issues

During our engagement, any audit issues encountered were satisfactorily resolved.

Disagreement with Management

There were no disagreements with management during the audit.

Our Audit Opinion

We did not detect any evidence of misstatements that would have a material effect on the financial statements and, accordingly, we have issued an unqualified independent auditor's report.

Management Letter

We will be submitting a letter to management identifying issues on internal controls and other matters that we feel should be brought to management's attention.

We wish to express our appreciation for the co-operation we received during the audit from the Village of Rycroft's management and staff. We would be pleased to discuss with you any matters mentioned in this letter, as well as any other matters that may be of interest to you.

Yours truly,

DOYLE & COMPANY

Allen Lee, CPA, CMA
AL/pt